

Message Text

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51

ACTION EUR-25

INFO OCT-01 EA-11 ISO-00 AID-20 CEA-02 CIAE-00 COME-00

EB-11 FRB-02 INR-10 IO-14 NEA-14 NSAE-00 RSC-01

OPIC-12 SP-03 TRSE-00 CIEP-02 LAB-06 SIL-01 SWF-02

OMB-01 XMB-07 DODE-00 PA-04 USIA-15 PRS-01 SS-20

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R 101306Z JUN 74

FM AMEMBASSY THE HAGUE

TO SECSTATE WASHDC 3750

INFO AMEMBASSY JAKARTA

USMISSION OECD PARIS

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E.O. 11652: N/A

TAGS: EAID, PFOR, NL, ID

SUBJECT: DUTCH "CONDITIONS" FOR AID TO INDONESIA

REF: HAGUE 2814, JAKARTA 6815

SUMMARY: INDONESIA EMBASSY THE HAGUE ISSUED PRESS RELEASE ATTRIBUTED TO MINISTER WIDJOJO TO EFFECT THAT FOREIGN INTERFERENCE IN DOMESTIC AFFAIRS ON BASIS OF AID NOT ACCEPTABLE TO GOI. GON LATER ISSUED STATEMENT THAT ITS AID DECISIONS ARE INFLUENCED BY BROAD DOMESTIC POLICY OF RECIPIENT COUNTRY, ITS SPECIFIC NEED FOR FINANCIAL AID, AND DEGREE OF ITS POVERTY, BUT THAT GON HAS NO INTENTION TO INTERFERE IN INTERNAL AFFAIRS OF DEVELOPING COUNTRIES. DEVELOPMENT AID OFFICIAL TOLD EMBASSY THIS STATEMENT WAS IN RESPONSE TO PRESS INQUIRIES, NOT TO INDONESIAN STATEMENT. HE FURTHER COMMENTED THAT MINISTER PRONK'S RADIO STATEMENTS (HAGUE 2814) WERE MORE POINTEDLY CRITICAL THAN HIS COMMENTS DURING VISIT TO INDONESIA LAST FALL BUT REFLECTED NO CHANGE IN GON POLICY EXPRESSED IN BUDGET MESSAGE OF LAST SEPTEMBER. END
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SUMMARY.

BEGIN UNCLASSIFIED

1. ON JUNE 6 INDONESIAN EMBASSY ISSUED PRESS STATEMENT TRANSLATED BY ANP AS FOLLOWS:

WITH REFERENCE TO A COMMUNICATION BY THE MINISTER OF STATE FOR DEVELOPMENT COOPERATION OF THE NETHERLANDS, MR. J.P. PRONK, AS PUBLISHED IN THE PRESS RECENTLY, THE INDONESIAN MINISTER OF STATE FOR ECONOMIC AND FINANCIAL AFFAIRS, CHAIRMAN OF THE NATIONAL PLANNING AGENCY, DECLARES TODAY, JUNE 5, 1974, THAT:

A. THE INDONESIAN GOVERNMENT VALUES THE AID WHICH THE NETHERLANDS GOVERNMENT HAS SO FAR PROVIDED, THE NETHERLANDS ROLE AS CHAIRMAN OF IGGI, AND THE NETHERLANDS WILLINGNESS TO ACT AS THE HOST COUNTRY FOR THE IGGI MEETINGS SINCE THE YEAR 1967.

B. THIS AID SUPPLEMENTS THE VARIOUS ACTIVITIES AND THE STRENUOUS EFFORTS BY THE INDONESIAN PEOPLE AND GOVERNMENT THEMSELVES TO BRING ABOUT A NATIONAL RECONSTRUCTION AND IS APPLIED IN ACCORDANCE WITH THE POLICY OUTLINES DRAWN UP BY THE INDONESIAN GOVERNMENT ITSELF IN ITS FIVE-YEAR RECONSTRUCTION PLANS.

C. THE INDONESIAN GOVERNMENT ACCEPTS WITH PLEASURE AID FROM ANY COUNTRY WHATSOEVER AS LONG AS SUCH AID MAKES A USEFUL CONTRIBUTION TOWARDS THE AFOREMENTIONED RECONSTRUCTION AND IS DEFINITELY NOT OF A BINDING NATURE. IN THIS CONTEXT, THE INDONESIAN GOVERNMENT WILL NATURALLY NOT TOLERATE INTERFERENCE IN ITS DOMESTIC AFFAIRS. (END TEXT).

2. ACCORDING TO ANP, DEVELOPMENT COOPERATION INFORMATION SERVICE OF MFA DENIED ANY INTENTION TO INTERFERE IN INTERNAL AFFAIRS OF DEVELOPING COUNTRIES BUT STATED THAT GON DOES TAKE ACCOUNT OF DEGREE IN WHICH DEVELOPING COUNTRIES ACTUALLY ENDEAVOR TO IMPROVE DOMESTIC SITUATION. AS GROUND FOR ITS STATEMENT, INFORMATION SERVICE QUOTED EXPLANATORY MEMORANDUM ATTACHED TO MFA 1974 BUDGET PRESENTATION AS FOLLOWS:

IN THE SELECTION OF COUNTRIES ON WHICH DUTCH AID WILL BE CONCENTRATED, THIS ASPECT WILL BE GIVEN SPECIAL ATTENTION; IN ADDITION IT WILL BE CONSIDERED TO WHAT EXTENT DEVELOPING COUNTRIES HAVE A SPECIFIC UNMET NEED FOR FINANCIAL AID AND ALSO THE DEGREE OF THEIR POVERTY.

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APPLICATION OF THESE NORMS WOULD HAVE TO TAKE PLACE GRADUALLY AND CAUTIOUSLY. APPLICATION MUST NOT ENDANGER THE CONTINUITY OF THE DEVELOPMENT. ABRUPT CHANGES OF POLICY WILL CUT ACROSS UNDERTAKEN OBLIGATIONS, WASTE COMMENCED ACTIVITIES AND DESTROY ESTABLISHED CONSULTATION STRUCTURES. IT WILL ALSO MAKE THE NECESSARY PROGRAMMING MORE DIFFICULT AND HARM THE LONG-TERM CHARACTER OF DEVELOPMENT AID. IN THIS LIGHT IT HAS BEEN DECIDED TO MAINTAIN

THE PRESENT LIST OF "CONCENTRATION COUNTRIES" IN 1974.

WITHIN THE FRAMEWORK OF THE PROJECTED FIGURES FOR THE FORTHCOMING YEARS WHICH WILL BE SUBMITTED TO PARLIAMENT AND WITHIN THE FRAMEWORK OF PROGRESSIVE AUXILIARY PROGRAMMING WHICH IS STILL TO BE PREPARED, THE CONCENTRATION POLICY WILL BE FURTHER ADJUSTED.

3. INFORMATION SERVICE STATEMENT CONTAINED FOLLOWING CONCLUSION, ACCORDING TO ANP:

THE DEVELOPMENT POLICY AS IT IS BEING PURSUED BY THE GOVERNMENT OF A DEVELOPING COUNTRY IN THE WIDEST SENSE, DOES, HOWEVER, CONSTITUTE A MAJOR FACTOR FOR THE NETHERLANDS GOVERNMENT IN MAKING DECISIONS ABOUT THE EXTENT AND THE DIRECTION OF THE AID.

WITH REGARD TO THE AID TO INDONESIA THIS MEANS -- TO THE SAME EXTENT AS APPLIES TO ALL OTHER "CONCENTRATION COUNTRIES" -- THAT THE ABOVEMENTIONED NORMS WILL BE APPLIED IN THE FORTHCOMING MULTI-ANNUAL PLAN.

THIS MULTI-ANNUAL PLAN WILL BE SUBMITTED TO THE CHAMBER WITH THE 1975 BUDGET IN SEPTEMBER.

END UNCLASSIFIED.

4. POSTHUMUS, DEPUTY DIRECTOR OF ECON-FIN DEVELOPMENT AID, INFORMED EMBASSY THAT MINISTRY STATEMENT WAS MADE IN RESPONSE TO PRESS INQUIRIES, NOT TO INDONESIAN STATEMENT. HE CITED GOI MINISTER MALIK'S BLAND COMMENTS AND NOTED THAT WODJOJO'S REACTION WAS MUCH SHARPER, PROBABLY REFLECTING GOI FEELINGS MORE ACCURATELY. HE SAID THAT PRONK'S WORDING WAS CONSIDERABLY STRONGER THIS TIME THAN IT HAD BEEN DURING HIS TRIP LAST NOVEMBER TO INDONESIA, EVEN THOUGH HE HAD ASKED POINTED QUESTIONS THEN AND MADE HIS LIMITED OFFICIAL USE

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VIEWS KNOWN TO GOI OFFICIALS. IN BOTH CASES, HE SAID, PRONK'S STATEMENTS WERE BASED ON GON POLICY EXPRESSED IN MEMORANDUM SUPPORTING PRESENTATION OF THIS YEAR'S BUDGET, AND REPRESENTED NO POLICY CHANGE.
TANGUY

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